

Message Text

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FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC PRIORITY 6923

INFO AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY MOSCOW PRIORITY

USMISSION USEC BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 HELSINKI 2877

E.O. 11652: GDS

TAGS: PFOR, FI, EEC

SUBJ: FINNISH PARLIAMENTARY APPROVAL OF RATIFICATION

OF FREE TRADE AGREEMENT WITH EEC STILL EXPECTED

NOVEMBER 16, BUT TYPICAL BYZANTINE JOCKEYING

FOR POLITICAL POSITION RAISES SLIGHT FEARS OF

LAST MINUTE UNRAVELING

REF: HELSINKI 2476, 2545, 2591

SUMMARY: ALTHOUGH CHANCES FOR PARLIAMENTARY APPROVAL
OF FINNISH RATIFICATION OF THE AGREEMENT WITH THE EEC
ON NOVEMBER 16 ARE STILL QUOTE GOOD, SOCIAL DEMOCRATIC
DECISION TO ALLOW THEIR MEMBERS A FREE VOTE ON THE
QUESTION, AND CENTER PARTY COUNTER ATTACK OF THREATEN-
ING THE SAME ON THE PROTECTION LAWS TO BE REINTRODUCED,
RAISES THE SPECTER OF A LAST MINUTE UNRAVELING OF
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THE EEC MATTER.

1. AT TUESDAY, NOVEMBER 13, PARLIAMENT SESSION, TWO COMPANION LAWS OF FINLAND'S FREE TRADE AGREEMENT WITH THE EEC - DEALING WITH RELATIONS BETWEEN FINLAND AND THE EUROPEAN COAL AND STEEL UNION -- PASSED THE "SECOND READING" UNCHANGED. THEY ARE SCHEDULED TO COME UP FOR THE THIRD AND FINAL "READING" AND VOTE ON FRIDAY, NOVEMBER 16. AT THE SAME TIME, THE ONE AND ONLY CONSIDERATION AND VOTE ON THE RATIFICATION OF THE MAIN FREE TRADE AGREEMENT WILL TAKE PLACE, UNLESS SOME LAST MINUTE HITCH DEVELOPS BEFORE THAT. AT THIS POINT, THE ODDS ARE STILL VERY MUCH IN FAVOR OF A FAVORABLE PASSING VOTE ON THE RATIFICATION, WHICH NEEDS ONLY A SIMPLE MAJORITY, BUT RECENT DEVELOPMENTS AND THE PAST HISTORY OF TWISTS AND TURNS ON THE EEC QUESTION RAISE SOME SLIGHT DOUBTS.

2. EVEN AFTER PARLIAMENTARY APPROVAL, THE RATIFICATION BILL WILL REQUIRE PRESIDENT KEKKONEN'S COUNTER-SIGNATURE BEFORE BECOMING EFFECTIVE, BUT THERE IS NO INDICATION THAT HE WOULD REFUSE TO SIGN.

3. WHEN REPORTING THE COMPANION BILLS TO THE FLOOR FROM THE FOREIGN AFFAIRS COMMITTEE, SOCIAL DEMOCRATIC MP LARS LINDEMAN ANNOUNCED THAT THE SOCIAL DEMOCRATS FAVORED THEIR PASSAGE AS WELL AS THAT OF THE MAIN AGREEMENT WITH THE EEC. HE RECOMMENDED THAT THE EXPLANATORY STATEMENTS MADE BY BOTH THE GOVERNMENT AND PRESIDENT KEKKONEN WHEN APPROVING THE SIGNING OF THE AGREEMENT SHOULD BE APPENDED TO THE RATIFICATION BILL. LINDEMAN ADDED THE SUGGESTION, HOWEVER, THAT A CALL FOR SPEEDY REINTRODUCTION OF THE SO-CALLED PROTECTION LAWS -- WHICH WERE PREVIOUSLY VOTED OVER NEW ELECTIONS BY THE COMMUNISTS AND WHICH HAD EARLIER BEEN CONSIDERED BY THE SOCIAL DEMOCRATS AS A PREREQUISITE FOR AGREEING TO THE EEC ARRANGEMENT -- ALSO BE APPENDED.

4. LINDEMAN'S RECOMMENDATION BY ITSELF WOULD NOT HAVE CAUSED ANY GREAT PROBLEM, SINCE THE COALITION GOVERNMENT AS A WHOLE HAS BEEN ALL SET TO REINTRODUCE THE CONFIDENTIAL

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PROTECTION LAWS SOON ANYWAY. COUPLED WITH SEVERAL OTHER DEVELOPMENTS INIMICAL TO THEIR INTERESTS, HOWEVER, IT MAY HAVE BEEN JUST TOO MUCH FOR THE CENTER PARTY TO SWALLOW.

5. PRIME AMONG THESE WAS PROBABLY LAST WEEK'S SOCIAL DEMOCRATIC DECISION TO ALLOW AT LEAST NINE OF THEIR MPS TO VOTE THEIR CONSCIENCE ON THE EEC RATIFICATION;

I.E., TO ALLOW THEM TO VOTE AGAINST THE AGREEMENT. THIS MEANT THAT A MEMBER PARTY OF THE COALITION GOVERNMENT WAS PERMITTING SOME OF ITS OWN MEMBERS TO VOTE AGAINST THAT SAME GOVERNMENT. WHAT ADDED INSULT TO INJURY WAS THE FACT THAT THE SOCIAL DEMOCRATIC PRIME MINISTER, KALEVI SORSA, HAD FIRST ARGUED IN THE PARTY CAUCUS THAT A VOTE AGAINST THE RATIFICATION WOULD BE A VOTE OF NO CONFIDENCE IN THE GOVERNMENT, AND THEN TURNED AROUND AND VOTED IN FAVOR OF ALLOWING MEMBERS TO VOTE THEIR CONSCIENCE. THERE HAS BEEN A GOOD DEAL OF DIS-AGREEMENT WITHIN THE SOCIAL DEMOCRATIC PARTY (SDP) ON THE EEC QUESTION, AND THE SDP LEADERSHIP WAS OBVIOUS- LY HOPING TO MINIMIZE THE NEGATIVE EFFECTS WITHIN ITS OWN RANKS OF HAVING COME OUT IN FAVOR OF THE AGREEMENT. THE LESSONS OF SIMILAR PROBLEMS IN NORWAY AND DENMARK HAVE NOT BEEN LOST ON THE SDP.

6. ANOTHER ASPECT OF THE ABOVE-MENTIONED SDP ACTION WHICH MUST HAVE RANKLED THE CENTER PARTY IS THE FACT THAT TASS AND IZVESTIYA HAVE USED IT AS "PROOF" OF LARGE-SCALE OPPOSITION IN FINLAND TO THE EEC AGREEMENT, AS HAVE FINNISH COMMUNIST NEWSPAPERS. IN THE MAIN CENTER PARTY ORGAN, SUOMENMAA, EDITORIALY ASSUSES THE SDP OF TRYING TO USE THE CONSCIENCE VOTE AS A PLOY TO CONVINCE THE SOVIETS THAT THE SDP IS RELUCTANTLY BEING PUSHED INTO ACCEPTANCE OF THE EEC AGREEMENT.

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7. WHEN ADDED TO THE PRECEDING ARE SOCIAL DEMOCRATIC OPPOSITION AND FOOT DRAGGING ON THE BILL TO AUTHORIZE PAID VACATIONS FOR SMALL DAIRY FARMERS - AN EMOTIONAL AND IMPORTANT ISSUE FOR THE CENTER PARTY -- AND SOME HIGHHANDEDNESS IN DECISIONS INVOLVING LOCATIONS FOR NEW INDUSTRIES IN THE LESS DEVELOPED RURAL AREAS, IT IS PERHAPS UNDERSTANDABLE THAT THE IRE OF THE CENTER PARTY SHOULD BE AROUSED. THE ONLY SURPRISING THING IS PERHAPS THAT IT WAS ONLY AFTER A WEEK OF INCESSANT FLAK FROM THE RANK AND FILE AND DISTRICT ORGANIZATIONS THAT THE CENTER PARTY MOVED TO THE COUNTERATTACK.

8. THE COUNTERATTACK CAME YESTERDAY, NOVEMBER 13, WHEN THE CENTER PARTY LET IT BE KNOWN THAT IT WAS SERIOUSLY CONSIDERING FREEING ITS MEMBERS TO VOTE THEIR CONSCIENCE WHEN THE PROTECTION LAWS COME UP AGAIN IN PARLIAMENT, POSSIBLY NEXT WEEK.
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9. WHEN PRIME MINISTER SORSA FIRST HEARD OF THIS, HE WAS UNDER THE IMPRESSION THAT IT REPRESENTED AN ACTUAL DECISION RATHER THAN A DECISION TO "SERIOUSLY CONSIDER," AND REACTED BY CLAIMING THAT THE CENTER PARTY HAD BROKEN THE COALITION AGREEMENT, THUS JEOPARDIZING THE CONTINUED COOPERATION BETWEEN THE SDP AND THE CENTER PARTY AND THE FUTURE OF THE COALITION GOVERNMENT.

10. SORSA WAS RIGHT TO THE EXTENT THAT THE PROTECTION LAWS ARE PART OF THE AGREED UPON COALITION GOVERNMENT PROGRAM, WHEREAS THE EEC AGREEMENT IS FORMALLY NOT. HIS REACTION, OR OVER-REACTION AS IT TURNED OUT TO BE, NEVERTHELESS SHOWED THAT THE CENTER PARTY HAD HIT THE SDP WHERE IT HURT.

11. THE COALITION GOVERNMENT WILL HAVE A REGULAR MEETING TONIGHT, AT WHICH THESE QUESTIONS ARE EXPECTED TO BE THE CENTRAL ISSUE.

COMMENT: ALTHOUGH, AS MENTIONED EARLIER, THE CHANCES STILL LOOK QUITE GOOD FOR PARLIAMENTARY APPROVAL OF

RATIFICATION OF THE EEC AGREEMENT ON NOVEMBER 16, THE
SPECTER OF A LAST MINUTE UNRAVELING OF THE WHOLE MATTER
RAISES ITS UGLY HEAD, DUE TO THE INCREDIBLE INEPTITUDE
EXHIBITED BY ALMOST EVERYONE INVOLVED, EXCEPT PRESIDENT
KEKKONEN, IN THE HANDLING OF THE EEC QUESTION, AND
THE GENERAL ORNARINESS OF FINNISH POLITICIANS.
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